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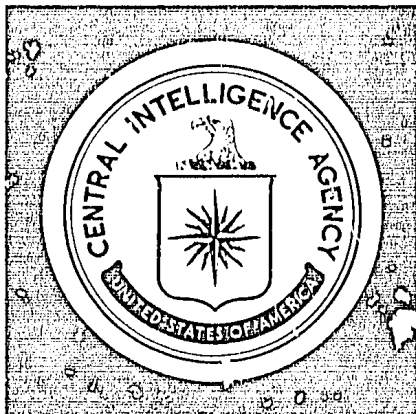
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14 DEC 1971

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Central Intelligence Bulletin

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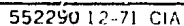
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INDIA-PAKISTAN:

On the East Pakistan battlefield, an Indian spokesman claimed yesterday that Indian forces would have Dacca under siege within 48 hours. Senior Pakistani officers reportedly thought the attacks on the city might begin even sooner. New Delhi claims that its main force, which is approaching Dacca from the northeast, has reached the last river crossing some six miles from the capital. However, the Indians have reportedly been meeting increased Pakistani resistance at that point. Another Indian column is approaching the city from the north and has reportedly reached the town of Jaydebpur, about 12 miles from the capital. Both of these columns have apparently been reinforced with airlifted troops. A third Indian column has not yet been able to cross the Meghna River at Daudkandi, 22 miles southeast of the capital. To the south, the Indians claim that units advancing on Chittagong are less than 20 miles from that city.

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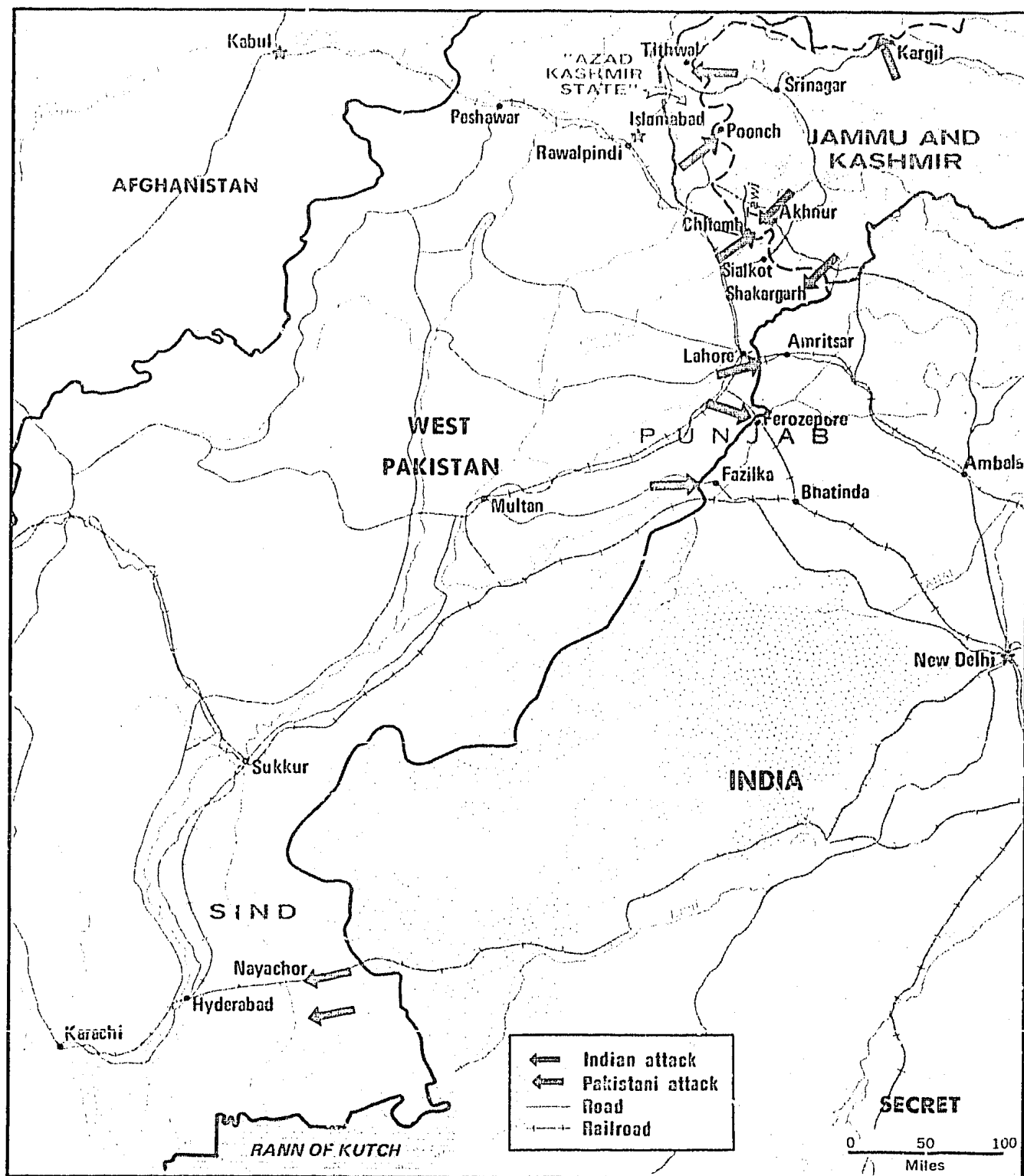
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On the western front, neither side has made any important gains in the past few days. The Pakistanis, however, may be preparing to attempt a new offensive in the Chhamb sector. Western correspondents have reported seeing heavy Pakistani military traffic moving toward the front in that area on 12 December. The Indians, meanwhile, are moving up reinforcements in order to prevent the Pakistanis from advancing eastward from Chhamb into the Kashmir Valley.

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The Pakistanis hold Chhamb but have not been able to push across a river that Indian troops have been defending immediately east of the town. The Indians are anxious to keep the Pakistanis from advancing to Akhnur some 18 miles east of Chhamb, where they could cut the highway that serves as a key transportation and supply route between northern India and Kashmir.

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Indian criticism of the US is increasing. Mrs. Gandhi, speaking in New Delhi on 12 December, was strongly critical of the US in all but name. She expressed irritation at a "far-away country which says to keep quiet about Bangla Desh" and at reports "that some country says it has some agreement or treaty with Pakistan." US officials in Calcutta report that the tempo and virulence of anti-American demonstrations there have increased markedly in the past few days and that this trend is likely to continue. In Islamabad, meanwhile, some 2,000 Pakistanis gathered at the airport on 11 December and jeered at Soviet citizens being evacuated from the country.

At the UN last night, the Soviet Union, as expected, vetoed the cease-fire - withdrawal resolution proposed by the US. The UK and France abstained as they had last week in the votes on similar proposals. (SECRET NO FOREIGN DISSEM)

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YUGOSLAVIA: Zagreb police arrested approximately 30 people over the weekend in the wake of disturbances arising from the current crackdown on Croatian nationalists.

Fourteen students were arrested Saturday and charged with instigating "the unconditional overthrow of social and state order and of representative bodies" for their part in the recently ended Zagreb student strike. Another 14 were arrested Sunday in the aftermath of several incidents at the city's main square and at youth hostels where the Yugoslav news media report there were public calls for a strike against the university and for demonstrations in the street.

Croatian officials also have admitted the arrest of a journalist, Bruno Ante Busic, whose articles in Hrvatski Tjednik (mouthpiece of Croatian nationalists) "inflamed national hatred and discord among our peoples." Elsewhere in Croatia, party organizations have wasted little time denouncing the alleged nationalist excesses of certain leaders and in the coastal city of Zadar four officials resigned late Sunday, joining the Croat Republic party chief and her three close associates who quit earlier that day in deference to Tito's call for a purge of the party leadership. No replacements as yet have been announced.

Zagreb authorities, determined to use all means necessary to prevent the situation from getting out of hand, have announced that they will intervene in all cases of disturbances of public order. It remains to be seen whether the authorities will be able to prevent further outbursts.
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COSTA RICA: President Figueres is determined to override opposition to the opening of a Soviet embassy in Costa Rica.

In a televised speech on 9 December, Figueres defended his decision of two weeks ago to accredit two Soviet diplomats, replying point by point to the sharp criticism that has followed. Figueres repeated many of his old arguments, including Costa Rica's need to deal with the Communist world in this "era of negotiations," but his major argument focused on the economic advantages that diplomatic relations would bring.

He announced plans to manufacture aluminum in Costa Rica using Soviet hydroelectric power equipment that would be financed by coffee exports. The deal, which would take care of coffee surpluses for the "next five or six years," hinges on "normalizing" relations between the two countries, according to Figueres. The aluminum plant scheme is an old one that is still far from realization, but it is possible that some small purchases of Soviet equipment have been negotiated that could lead to early coffee sales.

Figueres said he was willing to include the issue of a Soviet presence in a plebiscite covering other questions, but only after relations with the USSR are normalized.

A demonstration held on 11 December to protest the establishment of diplomatic relations was peaceful. A scheduled counter demonstration by Communists and other supporters of the Figueres move was postponed until today, thus avoiding possible clashes between the two groups.

Although protests by conservatives, anti-Communists, and opposition politicians have been strong, they have not yet reached the level that forced Figueres to back off from a similar plan last July.
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GREECE: Prime Minister Papadopoulos may turn increasingly to the military to fill civil service posts in the months ahead.

Regime efforts to bring ex-politicians into the government have failed so far, largely because most of them still refuse to support the regime fully. Papadopoulos has replaced several civilian officials of uncertain loyalty with military men in the past two years.

Although the changes have improved bureaucratic efficiency, civilian employees, particularly in the Foreign Ministry, are concerned about their careers. Some have asked Deputy Foreign Minister Palamas, a civilian, to intervene on their behalf. Palamas reportedly has threatened to resign over the issue and a final decision on military appointments will not be made before the prime minister delivers a major speech on Saturday. In any case, Papadopoulos, a seemingly astute judge of his colleagues, will probably continue his juggling act between civilian and military personnel. The prime minister will be strongly influenced by the fact that the military is his primary source of support.

In addition, it is rumored that Papadopoulos may be considering changing the government from a constitutional monarchy to a republic. A statement apparently made by Papadopoulos that the elimination of the monarchy would be necessary before elections could be held was leaked by the regime's press spokesman in mid-November. Papadopoulos' reported plan is said to have the support of the important military leaders who have long opposed the return of King Constantine. The rumors, however, may be designed to test public opinion. (SECRET NO FOREIGN DISSEM)

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CHINA - SIERRA LEONE: Peking offered economic assistance and a limited amount of military aid during the visit to China last summer by a Sierra Leonean delegation, when recognition was announced, according to recent information.

A finance official in Freetown said that the Chinese offered \$40 million in economic aid to be repaid over a 50-year period. In addition, the Chinese will extend \$1.7 million in credits, one half of which is to be used for road repairs. At least 35 Chinese agricultural technicians will be working in the country by January, probably on rice production projects. These technicians will partially replace the Nationalist Chinese who left after Freetown recognized Peking last summer.

The president of Sierra Leone reportedly has said that China also would provide several helicopters and gunboats free of charge. A small shipment of arms and ammunition, which arrived in Freetown last month, probably was covered by the same agreement.
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BELGIUM: The two political parties engaged in forming a government, following last month's national elections, have agreed in principle to a reduction in the period of military service. The Socialists, who are negotiating a government program with the more powerful Social Christians, campaigned for an eventual six-month tour. Current discussions focus on a reduction from 15 to 12 months if served in Belgium, and 12 to 10 if served in West Germany. Defense expenditures do not command broad public support; Belgium was the only NATO member that failed this year to make its full contribution to the European Defense Improvement Program. (CONFIDENTIAL)

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SUDAN-CHINA: A delegation headed by Vice President and Defense Minister Khalid Hasan Abbas is en route to Peking for an official visit. The Sudanese may seek military assistance in addition to the generous economic aid already extended by Peking in part to compensate for the apparent decline in Soviet military aid following the coup last July. China's arms production capabilities, its own defense requirements, and its other foreign arms commitments, however, will restrict the scope of any new military aid agreement. The net effect may be to create opportunities for Khartoum to return to its traditional Western sources, a tendency that had been evident in the economic field even before last summer. (CONFIDENTIAL)

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URUGUAY: With elections over, the government is trying to combat the deteriorating balance of payments situation. Although Uruguay is still unwilling to devalue the peso formally, most foreign transactions are now being made at various depreciated rates. Beef exports, for example, are being encouraged by the use of a rate 50 percent above the official rate, while most imports are being discouraged by a rate double the official one. The government has further tightened import controls by increasing surcharges and prepayment requirements and by extending the total ban on capital goods imports until 31 March. The higher cost of imported goods will be reflected in further increases in the cost of living index, which even before the new restrictions was expected to rise near 60 percent next year. (CONFIDENTIAL)